SC-ADV (Rev. 2-6-80)

COMMONWEALTH OF PENNSYLVANIA

PENNSYLVANIA SECURITIES COMMISSION
471 Education Building
Harrisburg, Pa. 17120
Telephone: 717-787-8061

ADVISORY

REQUIREMENTS FOR THE REGISTRATION OR EXEMPTION OF SECURITIES UNDER THE PENNSYLVANIA SECURITIES ACT OF 1972 ("1972 ACT") (70 P.S.1-101 et seq.)

DEFINITION OF A SECURITY (Section 102(t) of the 1972 Act):

"Security" means any note; stock; treasury stock; bond; debenture; evidence of indebtedness; share of beneficial interest in a business trust; certificate of interest or participation in any profit-sharing agreement; collateral trust certificate, preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; LIMITED PARTNERSHIP INTEREST; certificate of interest or participation in an oil, gas or mining title or lease or in payments out of production under such a title or lease; or, in general, any interest or instrument commonly known as or having the incidents of a "security" or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. All of the foregoing are securities whether or not evidenced by written document.

SPECIAL NOTICE TO PERSONS FILING TO FORM LIMITED PARTNERSHIPS

As indicated above, the definition of "security" contained in Section 102(t) of the 1972 Act includes LIMITED PARTNERSHIP INTERESTS. Accordingly, all offers and sales in Pennsylvania of limited partnership interests must be made in compliance with the provisions of the 1972 Act. The information contained in this Advisory is applicable to such offers and sales.

Section 201 of the 1972 Act contains the following provisions — "It is UNLAWFUL for any person to OFFER and SELL any SECURITY in this STATE unless the security is REGISTERED under this Act or the security OR transaction IS EXEMPTED under Section 202 or 203 hereof.

The exemptions most frequently relied upon are contained in Sections 203(d), 203(e), and 203(f) which appear below.

Section 203(d) Any sales by an issuer to not more than TWENTY-FIVE persons in this State during a period of twelve consecutive months if (i) the issuer shall obtain the written agreement of each person not to sell the security within twelve months after the date of purchase; (ii) no public media advertisement is used or mass mailing made in connection with soliciting such sales; and (iii) no cash or securities is given or paid, directly or indirectly, to any promoter in connection therewith. Purchasers of securities registered under this act or sold in reliance upon an exemption under this act other than this subscription (d) or subsection (f) shall not be included in computing the twenty-five persons for purposes of this exemption. A notice in the form prescribed by the commission, signed by the officers or directors of the issuer under oath, and stating the name, principal business address of the issuer, proposed use of the proceeds from the sale and such facts as are necessary to establish this exemption shall be filed, together with a copy of any offering literature used in connection with such offer or sale, with the commission not later than the day on which the securities are first issued or the issuer first receives consideration from any person thereof, whichever is earlier.